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GAIN Report

Global Agricultural Information Network

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Cocoa is named a strategic product of the nation

Report Categories:

Agriculture in the Economy

Agricultural Situation

Agriculture in the News

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Report Highlights:

FAS\Caracas reports on official statements and comments by cocoa industry contacts regarding the recent announcement designating cocoa as a strategic product of the nation.

General Information:

President Chavez has called cocoa a "strategic product of the nation," as well as land suitable for cocoa cultivation and all private and public cocoa industries. The move follows an initiative to turn the country into a "cocoa power." This is not the first time the Venezuelan government has given priority to cocoa; similar emphasis was granted in 2000.

On June 2010, the creation of the Cocoa Socialist Venezuelan Corporation was authorized, which operates as a parent company. Per Decree No. 7471 "production, distribution and processing of cocoa and its products are considered strategic. Similarly, in 2008 the government had called cocoa one of the priority agricultural items receiving preferential treatment for development.

Despite these considerations, the production of cocoa has been only steady with yield at about 300 kilograms per hectare. The national government plans to increase yield by 50 percent, moving total output up to about 30,000 tons in 2012. The long-term goal is output of 60,000 tons in 2019.

According to Alexander Prósperi, president of the Venezuelan Cocoa Chamber (Capec), the cocoa sector welcomes the intention of the government to turn Venezuela into a cocoa power, and thus strengthen global recognition of a product that has been rated the best in the world. However, Prósperi acknowledges that the production of cocoa currently has certain limitations, which casts doubt on its responsiveness to meet the demand of the industrial sector as the government plans to expand.

President Chavez said that the government is building a chocolate plant with processing capacity of 25,000 tons. Once ready it will join the current 30,000 tons of processing capacity. Prósperi said that imports might be needed to fill these plants, given that current domestic output is lower than potential processing capacity. "Imports could result in loss of certification of origin" said Prósperi.

Prósperi remarked that the priority now should be to stimulate domestic production and to achieve the production goals that the state has set. To do so, it is necessary for producers, industry, and the national executive to work jointly....we must give encouragement and hope that cocoa is a profitable item, because many crops have been abandoned by low yields and low profitability."

SOURCE: Local Newspaper / El Universal